Finance Act, 1988

Section 1 - In the case of a person other than a company

(a) where the person is resident in India - (i) on income by way of interest other than "Interest on securities" 10 per cent.; (ii) on income by way of winnings from lotteries and crossword puzzles 40 per cent.; (iii) on income by way of winnings from horse races 40 per cent.; (iv) on income by way of insurance Commission 10 per cent.; (v) on income by way of interest payable on - 10 per cent.; (A) any security, other than a tax-free security, of the Central or a State Government; (B) any debentures or other securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act; (C) any debentures issued by a company where such debentures are listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956, and any rules made thereunder; (vi) on any other income (excluding interest payable on a tax-free security) 20 per cent.; (b) where the person is not resident in India - (i) in the case of a non-resident Indian - (A) on investment income and long-term capital gains 20 per cent.; (B) on income by way of interest payable on a tax-free security 15 per cent.; (C) on income by way of winnings from lotteries and crossword Puzzles 40 per cent.; (D) on income by way of winnings from horse races 40 per cent.; (E) on the whole of other income income-tax at 30 per cent. of the amount of income orincome-tax in respect of the income at the rates prescribed in Sub-Paragraph I of Paragraph A of Part III of this Schedule, if such inco me had been the total income, whichever is higher; (ii) in the case of any other person - (A) on income by way of interest payable on a tax-free security 15 per cent.; (B) on income by way of winnings from lotteries and crossword puzzles 40 per cent.; (C) on income by way of winnings from horse races 40 per cent.; (D) on the whole of the other income-tax at 30 per cent. of the amount of income or income-tax in respect of the income at the rates prescribed in Sub-Paragraph I of Paragraph A of Part III of this Schedule, if such income had been the total income, whichever is higher;